

domestic satellites may soon be in use, enabling 24-hour network service to affiliates; "public broadcasting" legislation is close to enactment; the all-channel law has opened the way to many new stations and an everwidening program choice. At no time in television's brief history has there been less reason to turn back the clock and encourage the creation of a system which is both destructive and antisocial in its implications.

We urge this committee to initiate and recommend appropriate legislation to prevent the establishment of pay television.

Thank you, Mr. Chairman, for allowing us the opportunity to express our views to this distinguished committee.

Mr. MACDONALD. Thank you, sir.

One question that has been going through my mind as I have listened to all the testimony which has been given is that it seems to me the broadcasters are arguing on both sides.

On the one hand you say that pay TV experiments have been a failure and on the other hand you say what a bad effect it is going to have on so-called commercial TV.

Now do you connect the two? If it is failure, then how can it possibly harm you?

Mr. ERLICK. Mr. Chairman, I think what we are saying is that to date these experiments have proved unsuccessful. But we may be wrong and the next experiment may be very successful, in which case pay TV would be a springboard and the consequences would flow that I think we have outlined here.

Mr. MACDONALD. You have to make up your mind whether they are a danger or not a danger.

Mr. ERLICK. We think they are. The fact that they have not succeeded to date does not mean——

Mr. MACDONALD. Then they have been successful?

Mr. ERLICK. No, sir; I don't believe they have but the fact they have not been to date does not mean that they won't be in the future.

Mr. MACDONALD. You live on the public, not you, but the networks live on the public by sponsors because sponsors won't keep shows that they don't think influence buyers to purchase products; is that right?

Mr. ERLICK. Yes, sir.

Mr. MACDONALD. If they have been a nonsuccess, I am now talking about pay TV, how do they bother you?

Mr. ERLICK. Mr. Chairman, I do not believe I can answer it in any way other than the way I have.

Mr. MACDONALD. It has not been a very successful answer.

Mr. BROTZMAN. Will you yield to me for one question along the same line?

Mr. MACDONALD. Yes.

Mr. BROTZMAN. It seems to me in the first part of your statement, Mr. Erlick, you are talking about how bad it is and back here you state how the low-income people across the country are going to be discriminated against by not having it.

Do you understand the inconsistency? You say this is bad per se and back over here you say under the rules of the Commission as they are proposed a lot of small communities can't get it.

Mr. ERLICK. Yes, sir. I agree there are two points.

Mr. BROTZMAN. There is an inconsistency.